

Message Text

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DRAFTED BY EB/ITP/EWT:MLORIMER:EB:NLPAZDRAL:NL

APPROVED BY EB - THOMAS O. ENDERS

H - MR. JENKINS

EB/ITP - MR. GLITMAN

EUR - MR. ARMITAGE

C - MR. SHINN

E - MR. LINTON

S - MR. BREMER

S/S -O:P.SHANKLE

----- 025695

O 030456Z JUN 75 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY IMMEDIATE

CONFIDENTIAL STATE 128621 TOSEC 020259

NODIS

E.O. 11652: GDS

TAGS: UR, US, EEW

SUBJECT: ACTION MEMORANDUM: EAST WEST FOREIGN TRADE

--BOARD MEETING JUNE 4, 1975 (S/S NR. 7511137)

FOR THE SECRETARY THROUGH SONNENFELDT AND ROBINSON FROM
ENDERS AND ARMITAGE.

1. SECRETARY SIMON HAS CONVOKED A MEETING OF THE EAST WEST

FOREIGN TRADE BOARD FOR 16:00 WEDNESDAY JUNE 4. THIS BOARD

IS THE SUCCESSOR, UNDER THE TRADE ACT OF 1974, TO THE EAST

WEST TRADE POLICY COMMITTEE, OF WHICH YOU WERE ALSO A MEM-

BER. YOU HAVE NOT ATTENDED MEETINGS OF EITHER BODY, AND WE
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SEE NO SPECIAL CIRCUMSTANCES WHICH WOULD REQUIRE YOUR PRES-

ENCE AT THIS ONE.

2. THIS MEETING, IN FACT, WILL BE SIMON'S FIRST OPPORTUNITY

TO ENTER PERSONALLY INTO ADMINISTRATION EFFORTS TO OBTAIN

REMEDIAL TRADE AND EXIM LEGISLATION. SIMON, WHO EVIDENTLY

FEELS HE MADE A COMMITMENT TO THE RUSSIANS DURING HIS RE-

CENT VISIT TO MOSCOW, IS SEEKING A LARGER ROLE, BOTH PER-

SONALLY AND FOR THE DEPARTMENT OF THE TREASURY, IN ADMINI-

STRATION EFFORTS TO OBTAIN THIS LEGISLATION. SUCH AN

EXPANDED ROLE COULD ONLY BE GAINED AT THE EXPENSE OF STATE'S

PRESENT ACTIVITIES. IN VIEW OF THIS WE FEEL IT WOULD BE

ESPECIALLY INAPPROPRIATE FOR YOU TO ATTEND THE JUNE 4

MEETING, BUT THAT THE DEPARTMENT'S INTERESTS SHOULD BE

REPRESENTED BY A SENIOR OFFICIAL SUCH AS UNDER SECRETARY

ROBINSON.

3. THE MAIN SUBJECT FOR CONSIDERATION AT THE JUNE 4 MEET-

ING WILL BE TIMING AND STRATEGY FOR AMENDMENTS TO THE TRADE

ACT AND EX-IM BANK LEGISLATION, AS ABOVE. AN INTERAGENCY

GROUP, SET UP BY TREASURY, HAS PREPARED A PAPER WITH POLICY

RECOMMENDATIONS FOR CONSIDERATION AT THE WEDNESDAY MEETING.

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THIS PAPER REFLECTS THE CONSENSUS THAT CHANCES FOR OBTAINING

REMEDIAL LEGISLATION CURRENTLY ARE NIL. HOWEVER, IT RECOMM-

ENDS A "PROGRAM OF CONSULTATIONS" WITH THE CONGRESS, BEGIN-

NING IN JUNE. WE BELIEVE RENEWED CONSULTATIONS WITH KEY

MEMBERS OF CONGRESS WOULD BE USEFUL. RIBICOFF, FOR EXAMPLE, TOLD MCCLOSKEY MONDAY THAT IN ADDITION TO HOPING TO GET ROMANIAN TRADE AGREEMENT THROUGH, HE WOULD ALSO LIKE TO ASSIST IN REVIVING THE TRADE AGREEMENT WITH MOSCOW. HIS COMMENT IS ILLUSTRATIVE OF MANY WE HAVE HAD ALONG SAME LINE.

4. THE INTERAGENCY PAPER ALSO RECOMMENDS THAT US GOVERNMENT OFFICIALS BRING THE ADMINISTRATION'S CASE BEFORE THE PUBLIC, IN ADDITION TO EFFORTS IN CONGRESS. HOWEVER, WE ARE CONCERNED THAT AN INTENSIVE P.R. EFFORT AT THIS TIME MIGHT ONLY SERVE TO PROVOKE AMERICAN JEWISH COMMUNITY AND AGGRAVATE "UNHOLY ALLIANCE" WITH EXTREME ANTICOMMUNIST FORCES.

5. INTERAGENCY PAPER ALSO DOES NOT DISCUSS QUESTION OF RESPONSIBILITY FOR UNDERTAKING THE CONGRESSIONAL CONSULTATIONS RECOMMENDED ABOVE. BECAUSE OF THEIR POLITICAL SENSITIVITY, WE FEEL THESE SHOULD CONTINUE TO BE CARRIED OUT

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BY STATE, WITH ASSISTANCE AS APPROPRIATE FROM STR AND TREASURY.

6. THE FULL AGENDA FOR THE JUNE 4 MEETING FOLLOWS AT THE END OF THIS MESSAGE; THE "OPTIONS AND RECOMMENDATIONS" SECTIONS OF THE INTERAGENCY GROUP PAPER ARE BEING CABLED AS A SEPARATE BRIEFING MEMORANDUM

7. RECOMMENDATIONS:

A. THAT YOU DESIGNATE UNDER SECRETARY ROBINSON TO

ATTEND THE JUNE 4 EAST WEST FOREIGN TRADE BOARD MEETING.

--APPROVE DISAPPROVE

B. THAT WE SUPPORT, AT THE JUNE 4 MEETING, A RENEWED

PROGRAM OF CONSULTATIONS WITH THE CONGRESS, WITH THE ULTI-

MATE OBJECTIVE OF OBTAINING CHANGES IN CURRENT MFN AND

EX IM BANK LEGISLATION.

--APPROVE DISAPPROVE

C. THAT WE PRESS STRONGLY FOR THE CONTINUATION OF CON-

GRESSIONAL CONSULTATIONS PRIMARILY BY STATE, WITH ASSISTANCE

FROM STR AND TREASURY AS APPROPRIATE.

--APPROVE DISAPPROVE

D. THAT THE STATE REPRESENTATIVE AT THE JUNE 4 MEETING

OPPOSE ANY PLAN FOR GREATLY INTENSIFIED P.R. EFFORTS WITH
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THE PUBLIC AT THIS TIME.

--APPROVE DISAPPROVE

CLEARED BY: H - KEMPTON JENKINS; C, E - STAFF.

--N O T E -- NOT CLEARED BY NSC DUE LATE HOUR.

--S - MR. BREMER

ATTACHMENT: AGENDA FOR JUNE 4 MEETING:

1) TIMING AND STRATEGY ON AMENDMENTS TO THE TRADE ACT AND
EXIM BANK LEGISLATION

2) NEW US-USSR TRADE TARGET

3) SOVIET PROPOSALS AT THE JOINT COMMERCIAL COMMISSION
MEETING

A) ESTABLISHMENT OF A TRADE REPRESENTATION OFFICE IN

NEW YORK

B) ESTABLISHMENT OF SEVERAL TRADING COMPANIES
C) TEMPORARY ARRANGEMENTS FOR SOVIET COMMERCIAL ACTIVITIES IN THE U.S. (IN ABSENCE OF U.S. LEGISLATION ON THE VIENNA CONVENTION)

4) THE POLISH GOLF CART ANTIDUMPING CASE

5) PROPOSED COMMISSION MEETINGS

A) JOINT AMERICAN-POLISH TRADE COMMISSION MEETING IN POLAND IN LATE SEPTEMBER, EARLY OCTOBER

B) JOINT AMERICAN-ROMANIAN ECONOMIC COMMISSION MEETING IN WASHINGTON IN LATE OCTOBER.

6) STATUS OF ROMANIAN TRADE AGREEMENT.

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7) SENATE COMMERCE COMMITTEE HEARINGS ON EAST-WEST TRADE

(COMMENT: WE UNDERSTAND COMMITTEE INSTITUTING HEARINGS TO PUT EAST-WEST TRADE BACK IN FAVORABLE LIGHT IN HIGHLY VISIBLE FORUM. THEY ARE TO BEGIN JUNE 25, LEADING OFF WITH CABINET-LEVEL OFFICIALS, WITH BUSINESS LEADERS TO FOLLOW. THEY WILL CONTINUE THROUGHOUT MUCH OF THE SUMMER).
END COMMENT.

8) STATUS OF QUARTERLY REPORT

9) OTHER BUSINESS.

END OF AGENDA. MAW

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